

Where a proposed company is to take the name and take over the business of a company which has been wound up or dissolved, it is usual to incorporate a date in the title of the new company—as for example, John Smith & Company (1932) Limited.

The clerk will now set to work to prepare the necessary papers to incorporate the company. If it is a small company the matter does not present much difficulty, but if it is a large or important company, and especially if it is a public company (i.e. a company which is going to issue a prospectus and invite the public to subscribe for shares) he had better consult his principal at the outset and work only under his direct supervision. The floating of public companies has become in recent times a matter of such grave responsibility to solicitors and accountants that the utmost care and diligence should be exercised to see that the public is not misled over the slightest detail.

A private company is a company which, by its articles of association restricts the right to transfer its shares, limits its membership to 50 shareholders (exclusive of persons employed in the company's business—and those who, being previously employed in the business still retain their membership and shares, although no longer in the company's

service), and expressly prohibits any invitation to the public to subscribe for shares.

A private company only requires two subscribers to its memorandum of association (a public company requires seven).

The first and most important document is the memorandum and articles of association. This is in fact, two separate documents, the memorandum of association and the articles of association, and is